

11/9/78

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THE PRESIDENT'S SCHEDULE

Thursday - November 9, 1978

8:15 Dr. Zbigniew Brzezinski - The Oval Office.

9:00 Signing Ceremony for the Energy Program.
(Mr. Frank Moore) - The East Room.

9:30 Depart South Grounds via Helicopter en route
Andrews AFB and Kansas City, Missouri.

6:05 Arrive South Lawn.

9:00 AM

Electrostatic Copy Made
for Preservation Purposes

THE WHITE HOUSE
WASHINGTON

November 8, 1978

BILL SIGNING - NATIONAL ENERGY ACT

Thursday, November 9, 1978

9:00 a.m.

The East Room

From: Frank Moore *f.m./pd*

I. PRESS PLAN

Open Press Coverage

II. STATEMENT

Attached

Platform guests

All Members of the House and Senate attending the ceremony-listed
Governor Julian Carroll below
Secretary Schlesinger

After you have signed the Energy Bill, we recommend that
you call on the following individuals -- all of whom will
be prepared to give one minute remarks:

Secretary Schlesinger
Congressman Staggers
Congressman Ashley
Congressman Dingell

Although Senator Robert Byrd will be on the platform, he
has indicated that he would prefer not to be called upon for
remarks.

Reserved Seating Guests

Mrs. Schlesinger
Charles Curtis, Chairman, FERC
Ambassador Berndt Von Staden, Federal Republic of Germany
Lord Bridges, Great Britain
Pierre Boyer, Minister, France
Ambassador Togo, Japan
Ambassador Spaak, European Communities
Ambassador Margain, Mexico
Ambassador Pansa, Italy
Ambassador Towe, Canada

III. PARTICIPANTS

Senate

Majority Leader Byrd
Senator Ford
Senator Matsunaga

House of Representatives

Congressman Dingell (D-Mich.)
Congressman Rostenkowski (D-Illinois)
Congressman Eckhardt (D-Texas)
Congressman Flowers (D-Alabama)
Congressman Ashley (D-Ohio)
Congressman Bolling (D-Missouri)
Congressman Skelton (D-Missouri)
Congressman Murtha (D-Penna.)
Congressman Tom Evans (R-Del.)
Congressman Conte (R-Mass.)
Congressman Sharp (D-Indiana)
Congressman Tsongas (D-Mass.)
Congressman Murphy (D-Penna.)
Congresswoman Mikulski (D-Maryland)
Congressman Staggers (D-West Virginia)
Congressman Reuss (D-Wisconsin)
Congressman Horton (R-New York)
Congressman Gary Brown (R-Michigan)
Congressman Paul Rogers (D-Florida)

Appropriate House and Senate Staff Members
Representatives of the Department of Energy
Commissioners of the FERC

Outside Groups

Alan Beals, National League of Cities
Stephen Farber, National Governors' Association
John Gunther, US Conference of Mayors
Willie Allen, Central Contractor Association
Wayne Anderson, Nabisco
Carl Bagge, National Coal Association
Michael Baly, American Gas Association
William Bergman, Solar Energy Industries Association
Hyman Bookbinder, American Jewish Commission
Jack Bowen, Transcontinental Gas Pipeline Corp.
David Broome, Burlington Industries
I.D. Bufkin, Texas Eastern Gas Pipeline Co.
Timothy Burns, Society of American Florists
Berkley Burrell, National Business League
Victoria Calvert, National Council of Farmer Cooperatives

William Carneal, Texas Eastern Transmission Corp.
Robert Casciola, First National State Bank of N.J.
Collis Chandler, National Petroleum Council
Dorman Commons, NATOMAS Co.
Edward Forgotson, O'Neill & Forgotson
Joe Foy, Houston Natural Gas
Jonathon Gibson, Sierra Club
Frank Gorham, RJR Industries
Robert Hampton, National Council of Farmre Cooperatives
Robert Harbor, El Paso Natural Gas
Clifford Hardin, Ralston Purina
Jack Head, Texas Eastern
Robert Healy, Anaconda Corp.
Harriet Hentges, League of Women Voters
Vytautas Izbickas, American Consulting Engineers and Architects
Thomas Jolly, O'Connor & Hannon
Alfred Jones, Al Jones Oil Corp.
John Kean, National Utilities and Industries Inc.
Jim Ketelsen, Tenneco, Inc.
William Klopman, Burlington Industries
Kenneth Lay, Florida Gas Transmission, Co.
Bud Lawrence, American Gas Association
Edward Lee, Information Handling Services
Lloyd Leonard, League of Women Voters
John McGovern, Nabisco, Inc.
Jerome McGrath, Interstate Natural Gas Association of America
Rufus McKinney, Southern California Gas Co.
John McMillian, Northwest Alaskan Pipeline Co.
J. F. Morrill, Wisconsin Steel Division of Envrodyne
Hal Newall, Eaton Corp.
Neil Offen, Direct Selling Association
Richard O'Shields, Panhandle Eastern Pipeline Corp.
David Pickard, Piedmont Natural Gas Co., Inc.
Judy Pond, Ralston Purina
Frank Rader, Texas Eastern Transmission
Paul Reichardt, Washington Gas Light Company
Cheryl Rutledge, Washington Gas
Carl Schwenson, National Association of Wheat Growers
Arthur Sider, American National Resource Co.
Candice Shy, Ensearch
Tom Sigler, Continental Oil
Esther Smith, National Association of Bank Women, Inc.
Lynn Stallbaum, National Milk Producers
David Skedgell, American Gas Association
Rodolfo Strauss, Strauss Plastic Co.
W. Reid Thompson, Potomac Electric Co.
Stu Van Skoyoc, DuPont
Jerry Verkler, Texas Eastern
Robert Wager, American Bakers Association
Jack Warren, Goldrush Drullins Co.
George Watts, National Broiler Council

Paul Weller, National Council of Farmer Cooperatives
Jack Werner, Solar Energy Institute of America
Lee Williams, American Retail Federation
Scott Wolf, DNC
Phil Buckminster, Chrysler Corp.
Earl Bassett, 3M Corp.
Rogers Pleasants, duPont
Richard Quick, Dravo Corp.
William Clark, Rockwell
Ray Shockley, ATMI
Kolbet Schritchte, National Restaurant
Forrest Rettgers, NAM
Dr. John Fey, Equitable Life
Robert Dickey, Dravo
Heath Larry, NAM
Ben Lusk, Mining & Reclamation
K.K. Bigelow, Martin-Marietta
George Stinson, National Steel
Francis X. Bradley, Martin-Marie-ta
Robert Scheerschmidt, Xerox
Alexander Giacco, Hercules, Inc.
John Archer, Brown & Root
John Ryan, IT & T

THE WHITE HOUSE
WASHINGTON

11/9/78

Jim McIntyre

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

THE WHITE HOUSE
WASHINGTON

11/8/78

Mr. President:

No objection from Senior
Staff. Fallows has edited.

Rick



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

8 NOV 1978

900c
C

MEMORANDUM FOR THE PRESIDENT

FROM: James T. McIntyre, Jr. *James*
SUBJECT: Cash Management Progress Report

Since my last progress report to you, our Reorganization Project has identified and monitored implementation of 32 more cash management improvements in ten departments and agencies. Decisions and actions taken in this Administration will save the Government over \$94 million in interest by accelerating receipts, better controlling disbursements and eliminating idle cash balances. These savings are in addition to the \$178 million previously reported in April and July, making a total of \$272 million of annual recurring savings to date. The attached report summarizes these achievements.

These savings do not include the proposals for the \$750 million annual interest savings and \$10 billion one-time acceleration of revenue collections we are presently evaluating in the 1980 budget cycle.

I will work with Jerry to publicize the new savings.

ID 785724

THE WHITE HOUSE

WASHINGTON

DATE: 08 NOV 78

FOR ACTION:

INFO ONLY: THE VICE PRESIDENT

JODY POWELL

RICHARD PETTIGREW

JERRY RAFSHOON

SUBJECT: MCINTYRE MEMO RE CASH MANAGEMENT PROGRESS REPORT

+++++
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: +
+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
✓	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION -

ACTION
FYI

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

✓	VICE PRESIDENT
	EIZENSTAT
	JORDAN
	KRAFT
	LIPSHUTZ
	MOORE
✓	POWELL
	WATSON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE

	ARAGON
	BOURNE
	BUTLER
	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
✓	PETTIGREW
	PRESS
✓	RAFSHOON
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

FEDERAL CASH MANAGEMENT INITIATIVES AND ACHIEVEMENTS

During the past 3 months, joint PRP/Agency cash management projects in Treasury, Defense, Interior, Energy, HEW, HUD, Transportation, and the Veterans Administration, Tennessee Valley Authority, and Federal Deposit Insurance Corporation, have identified savings in Federal interest expense by managing cash more carefully. These improvements involve accelerating receipts, more carefully controlling disbursements, and reducing idle cash balances - all actions that contribute to reducing Treasury working capital borrowing requirements and resulting interest costs.

ACCELERATING THE COLLECTION AND DEPOSIT OF RECEIPTS

The Treasury Department has continued its cash management excellence by undertaking 4 new cash management improvements that will save \$32.5 million a year in interest.*

The Bureau of the Public Debt will initiate action (concurrent with the tax and loan account implementation) to accelerate the deposit of proceeds from Series E savings bonds sales by some 39,000 issuing agents to the Treasury's accounts at the Federal Reserve Banks. By accelerating the frequency of this \$8 billion in revenue and enforcing timely remittance more systematically, \$18 million a year in interest savings and earnings will be achieved.

The Internal Revenue Service has initiated procedures to ensure that large checks - those over \$25,000 - will be deposited immediately upon receipt. By accelerating by two days the \$15.8 billion of such payments, annual interest savings of \$6.1 million will be accomplished. IRS is now actively studying the possibility of lowering the cutoff below \$25,000 with the prospect of additional savings. Additionally, the IRS will begin testing at one service

* The annual figures referred to in this report are for future full years of operations. Future interest savings are calculated at 6.1% (the public debt estimate) on those amounts of money that need not be borrowed because of cash management techniques that permit currently available money to be used more effectively.

center and one district a special coding of mailing envelopes to permit early identification and accelerated processing of remittance returns. Full implementation of this will result in a 1-day gain in available funds on as much as \$10.8 billion, saving annual interest of \$1.8 million a year.

The U.S. Customs Service is planning to change its regulations to accelerate the payment of customs duties. Presently, actual payment on some \$4 billion of duties is deferred for 10 work days after the release of goods into U.S. commerce. Under the new system, the 10 day deferral period will be reduced to 3 work days, creating savings of \$6.6 million a year due to the earlier availability of these duties.

The Department of the Interior is planning steps that should save nearly \$900,000 a year by accelerating the processing of receipts. Earlier collection of Outer Continental Shelf oil leases, Geological Survey oil and gas payments, and services sold to the Saudi-Arabian government, will save \$375,000 annually. Streamlined receipt processing of other payments will account for another \$522,000 in interest savings due to earlier availability of funds.

The Department of Energy's Bonneville Power Administration is revising its billing procedures and converting its big ticket receipts to TFCS.* These actions will save an estimated \$500,000 interest annually. Streamlining other receipt processing operations in the Department should save another \$57,000 a year in interest.

The Veterans Administration, through the installation of modern and sophisticated equipment at 2 data processing centers, will accelerate the processing of its insurance premiums, causing interest savings of \$163,000 annually. And by using a bank lock box for VA home loan receipts in Austin, the VA will net annual savings of \$74,000.

The Federal Deposit Insurance Corporation will be converting the remainder of its bank assessments from checks to TFCS. By using the electronic funds transfer technique for these receipts, annual interest savings of \$285,000 are expected.

* The Treasury Financial Communication System

In response to a GAO report in 1977, HUD has initiated a new system to collect delinquent FHA insurance premiums. As a result, delinquent premiums have been reduced from \$20 million to \$6 million. This reduction in delinquencies results in annual interest savings of \$860,000.

CONTROLLING DISBURSEMENTS BETTER

Paying our bills on time - not early or late - is good business and is saving the government millions of dollars a year in interest. Since our last report, another 5 departments and agencies have taken aggressive steps to implement my July 7 directive that all agencies strengthen their bill paying practices. In the Department of Defense, new procedures have been implemented requiring DOD components to schedule checks to contractors and vendors to arrive on the due date and not before. Previously, there had been no attempt to schedule payments this way. This action in Defense alone will save \$29.8 million a year in interest by delaying \$15.1 billion in payments an average of 11 1/2 days. Similar actions in the Veterans Administration are saving \$500,000 a year, in HEW \$1.3 million a year, and in Interior \$1,156,000 a year.

The Department of Energy has also taken action to monitor its RDO and FRB letter of credit operations more carefully. Better monitoring should reduce excess daily cash balances by some \$3.1 million, saving nearly \$200,000 a year in interest on these excesses. Even more impressive has been Energy's effort to better control its bill paying. In the past its integrated contractors' invoices had been paid an average of 18 days early and its other vendors an average of 11 days early. New procedures to pay invoices on the due date will save \$3.3 million in interest.

The Department of Defense is currently testing a new procedure to reimburse health care contractors. By depositing money in the contractor's account when his checks are presented for payment, float time is reduced some 5 days. Full scale implementation is scheduled for April, 1979 with system wide savings of \$487,000 a year.

REDUCING IDLE CASH BALANCES

We are currently revising Circular A-102 to reflect this Administration's commitment to good cash management. This revision will explicitly state that grantees will not be reimbursed with Federal funds for retainages that have not been paid. Rather, when final payment (including retainages) is due, then Federal funds to cover the retainage may be transferred to the grantee. In the case of the Department of Transportation alone, highway retainages now held by states are nearly \$210 million. By eliminating this early transfer of funds, we anticipate interest savings of \$12.7 million a year.

The Department of Defense has taken several steps to reduce idle cash balances. The Army and Air Force have reduced the amount of cash held by \$10 million - an action that will save \$610,000 a year. Additionally, negotiating better arrangements with banks and eliminating certain accounts in Germany and Spain, will result in annual interest savings of \$1.4 million a year.

The Department of Health, Education, and Welfare is taking a number of steps to eliminate and recover excess and idle balances of more than \$119 million in the hands of grant recipients. These steps will result in an annual interest savings of \$7.3 million a year.

Other

The Social Security Administration and Treasury are to move ahead on cyclical mailing of social security benefit checks to new beneficiaries beginning in 1981. This will have substantial benefit to the Treasury, financial markets, banking community, Postal Service and the economy by smoothing out workload and cash flow.

THE WHITE HOUSE
WASHINGTON

11/9/78

FOR THE RECORD:

THE PRESIDENT SIGNED THE ATTACHED
LETTER TODAY AND THE ORIGINAL
WAS GIVEN TO ALFRED KAHN'S OFFICE.
THEY WILL CALL BACK ON THE DATE
AND DISPOSITION.

THE WHITE HOUSE
WASHINGTON

*Good 1hr
J*

November 6, 1978

MEMORANDUM FOR: THE PRESIDENT
FROM: ALFRED E. KAHN *Fred*
SUBJECT: Letter on Anti-Inflation Program
to Major Business Firms

Here is a proposed letter, along the lines we discussed with you last week, asking for a public statement of compliance with the price standards from each of the largest 500 corporations. The language has been cleared with your senior advisers. If you approve, we would send it over your signature. You could also release the text at your next press conference, along with the announcement that we will be sending the letter on to medium-sized and smaller businesses as we feel we can handle their questions.

We checked the letter privately with Reginald Jones and William Batten, and made some changes in tone to meet concerns they and Secretary Kreps expressed. They see no problem in your sending it.

THE WHITE HOUSE

WASHINGTON

As the leader of one of our country's major businesses, you are fully aware of the grave problems caused by the inflationary pressures we are now experiencing. You are also in a position to do something to reduce those pressures. I am, therefore, writing to ask for your support.

I intend to do my part. I will do everything in my power to combat inflation. Our fiscal policies will give top priority to containing inflationary pressures. I will rigorously hold down Federal expenditures. I will cut Federal employment. I will achieve significant reductions in the Federal deficit next year and thereafter. I believe that the Congress will cooperate, but if necessary I will veto inflationary spending measures. I will subject special interest legislation to severe scrutiny; and I will undertake an intensive systematic effort to ensure that actions of my Administration, particularly in the area of regulation, do not raise costs and prices unnecessarily.

Carrying out such a policy of austerity will not be easy; but the task of fighting inflation requires real sacrifices from all of us.

No matter how much I do with Federal fiscal policy and through other actions, we cannot begin to deal successfully with the problems of inflation without your active support.

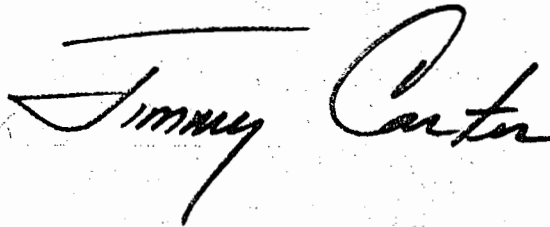
Our price standard requires your business to hold its average price increase over the next year to one-half of a percentage point below the average annual rate in 1976 and 1977. If uncontrollable cost increases make such deceleration impossible, it requires that you not expand your profit margin.

My anti-inflation program is designed to avoid imposing excessive hardships on any segment of our population. It provides allowances for special situations, where they are really needed. I will not try to mislead you; complying will not be painless. It will take a major and continuing effort on your part. But I believe that effort is worth making for the good of the country -- and for the economic health of your own business as well.

This program needs more than a general pledge of support. I am asking your company for an explicit statement of your commitment to comply with the price standard. I recognize that you may have questions about how the price standards apply to your firm and may want answers before you can conscientiously declare your intention to comply. The Council on Wage and Price Stability is developing additional guidance you may need to help you determine how you can comply. Staff of the Council will be contacting you very soon to give you this information.

I urge you to send me your personal response to my request as soon as possible.

Sincerely,

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned below the word "Sincerely,".

ID.785648

THE WHITE HOUSE

WASHINGTON

DATE: 01 NOV 78

FOR ACTION: JIM FALLOWS

*rewrite
attached -
body on OK
from Chan*

*11/02/78
Chan
"Archives"
New Version
coming*

INFO ONLY: THE VICE PRESIDENT

HAMILTON JORDAN

STU EIZENSTAT

JODY POWELL

JACK WATSON

CHARLIE SCHULTZE

ANNE WEXLER

JERRY RAFSHOON

SUBJECT: KAHN MEMO RE LETTER ON ANTI-INFLATION PROGRAM TO MAJOR
BUSINESS FIRMS

+++++
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: 1000 AM FRIDAY 03 NOV 78 +
+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

ID 785713

THE WHITE HOUSE

WASHINGTON

DATE: 07 NOV 78

FOR ACTION: JIM FALLOWS

*Clear This
of Chomsky
Today*

INFO ONLY: THE VICE PRESIDENT

STU EIZENSTAT

HAMILTON JORDAN

FRANK MOORE (LES FRANCIS)

JACK WATSON

JODY POWELL

CHARLIE SCHULTZE

JERRY RAFSHOON

SUBJECT: KAHN MEMO RE LETTER ON ANTI INFLATION PROGRAM TO

MAJOR BUSINESS FIRMS

+++++

+ RESPONSE DUE TO RICK HUTCHESON. STAFF SECRETARY (456-7052) +

+ BY: +

+++++

ACTION REQUESTED: IMMEDIATE TURNAROUND

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE

WASHINGTON

October 31, 1978

MEMORANDUM FOR: THE PRESIDENT
FROM: ALFRED KAHN *Fred*
SUBJECT: Letter on Anti-Inflation Program
to Major Business Firms

Here is a proposed letter, along the lines we discussed with you last week, asking for a public statement of compliance with the price standards from each of the largest 500 corporations. The language has been cleared with your senior advisers. If you approve, we would send it over your signature. You could also release the text at your next press conference.

Hamilton Jordan and Anne Wexler's people are developing a recommendation for you to talk personally to a few individual business leaders (DeButts, Shapiro, and Murphy) before the letter goes out.

Attachment

DRAFT PRESIDENTIAL LETTER TO BUSINESS EXECUTIVES

As the leader of one of our country's major businesses, you are fully aware of the grave problems caused by the inflationary pressures we are now experiencing. You are also in a position to do something to reduce those pressures. I am, therefore, writing to ask for your support.

I intend to do my part. I will do everything in my power to combat inflation. Our fiscal policies will give top priority to containing inflationary pressures. I will rigorously hold down Federal expenditures. I will cut Federal employment. I will achieve significant reductions in the Federal deficit next year and thereafter. I believe that the Congress will cooperate, but if necessary I will veto inflationary spending measures. I will subject special interest legislation to severe scrutiny; and I will be engaging in an intensive, systematic effort to ensure that actions of my Administration do not raise costs and prices unnecessarily.

Carrying out such a policy of austerity will not be easy; but the task of fighting inflation requires real sacrifices from all of us.

No matter how much the Federal government and I do, we cannot succeed without the active support of both business and labor. Your cooperation must go beyond a general pledge of support. I am asking your company for an explicit statement of your commitment to comply with the price standards.

The standard requires your business to hold its average price increase over the next year to one-half of a percentage point below the average annual rate in 1976 and 1977. If uncontrollable cost increases make such deceleration impossible, it requires that you not expand your profit margin.

My anti-inflation program is designed to avoid imposing excessive hardships on any segment of our population. It provides allowances for special situations, where they are really needed. I will not try to mislead you, however; complying will not be painless. It will take a major and continuing effort on your part. But I believe that effort is worth making for the good of the country; and that means for the economic health of your own business as well.

Should you have any questions about how the price standards apply to your firm, the Council on Wage and Price Stability stands ready to assist you.

I expect to receive your personal response to my request no later than December 15, 1978, so that I can report the results to the American people.

THE WHITE HOUSE

WASHINGTON

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I urge you to send me your personal response to my request as soon as possible.

Sincerely,

THE WHITE HOUSE
WASHINGTON

11/8

HOLD -

Chanin says This will
be discussed at 5:30 pm (today)
So stop by to determine
timing & letter.

See

ID 785648

THE WHITE HOUSE

WASHINGTON

DATE: 01 NOV 78

FOR ACTION: JIM FALLOWS

INFO ONLY: THE VICE PRESIDENT

HAMILTON JORDAN

STU EIZENSTAT

JODY POWELL

JACK WATSON

CHARLIE SCHULTZE

ANNE WEXLER

JERRY RAFSHOON

SUBJECT: KAHN MEMO RE LETTER ON ANTI-INFLATION PROGRAM TO MAJOR
BUSINESS FIRMS

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+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: 1000 AM FRIDAY 03 NOV 78 +
+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

See attached ed. by - JF
11/2/78

THE WHITE HOUSE

WASHINGTON

October 31, 1978

MEMORANDUM FOR: THE PRESIDENT

FROM: ALFRED KAHN

SUBJECT: Letter on Anti-Inflation Program
to Major Business Firms

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Hamilton Jordan and Anne Wexler's people are developing a recommendation for you to talk personally to a few individual business leaders (DeButts, Shapiro, and Murphy) before the letter goes out.

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I intend to do my part. I will do everything in my power to combat inflation. Our fiscal policies will give top priority to containing inflationary pressures. ^{I have already acted} I will ^{to support the} rigorously hold down Federal expenditures. I will cut Federal employment. I will achieve significant reductions in the Federal deficit next year and thereafter. I believe that the Congress will cooperate, but if necessary I will veto inflationary spending measures. I will subject special interest legislation to severe scrutiny; and I will be engaging in an intensive, systematic effort to ensure that actions of my Administration do not raise costs and prices unnecessarily. ^{es}

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THE WHITE HOUSE
WASHINGTON

OK

November 6, 1978

MEMORANDUM FOR: THE PRESIDENT

FROM: ALFRED E. KAHN *Fred*

SUBJECT: Letter on Anti-Inflation Program
to Major Business Firms

Here is a proposed letter, along the lines we discussed with you last week, asking for a public statement of compliance with the price standards from each of the largest 400 corporations. The language has been cleared with your senior advisers. If you approve, we would send it over your signature. You could also release the text at your next press conference, along with the announcement that we will be sending the letter on to medium-sized and smaller businesses as we feel we can handle their questions.

We checked the letter privately with Reginald Jones and William Batten, and made some changes in tone to meet concerns they and Secretary Kreps expressed. They see no problem in your sending it.

THE WHITE HOUSE

WASHINGTON

As the leader of one of our country's major businesses, you are fully aware of the grave problems caused by the inflationary pressures we are now experiencing. You are also in a position to do something to reduce those pressures. I am, therefore, writing to ask for your support.

I intend to do my part. I will do everything in my power to combat inflation. Our fiscal policies will give top priority to containing inflationary pressures. I will rigorously hold down Federal expenditures. I will cut Federal employment. I will achieve significant reductions in the Federal deficit next year and thereafter. I believe that the Congress will cooperate, but if necessary I will veto inflationary spending measures. I will subject special interest legislation to severe scrutiny; and I will be engaging in an intensive, systematic effort to ensure that actions of my Administration, particularly in the area of regulation, do not raise costs and prices unnecessarily.

Carrying out such a policy of austerity will not be easy; but the task of fighting inflation requires real sacrifices from all of us.

No matter how much I do with Federal fiscal policy and through other actions, we cannot begin to deal successfully with the problems of inflation without your active support.

The standard requires your business to hold its average price increase over the next year to one-half of a percentage point below the average annual rate in 1976 and 1977. If uncontrollable cost increases make such deceleration impossible, it requires that you not expand your profit margin.

My anti-inflation program is designed to avoid imposing excessive hardships on any segment of our population. It provides allowances for special situations, where they are really needed. I will not try to mislead you, however; complying will not be painless. It will take a major and continuing effort on your part. But I believe that effort is worth making for the good of the country; and that means for the economic health of your own business as well.

This program needs more than a general pledge of support. I am asking your company for an explicit statement of your commitment to comply with the price standard. I recognize that you may have questions about how the price standards apply to your firm and may want answers before you can conscientiously declare your intention to comply. The Council on Wage and Price Stability is developing additional guidance you may need to help you determine how you can comply. Staff of the Council will be contacting you very soon to give you this information.

I urge you to send me your personal response to my request as soon as possible.

Sincerely,

THE WHITE HOUSE
WASHINGTON

11/9/78

Jack Watson

The attached was returned in the President's outbox today and is being given to Stripping for mailing.

Rick Hutcheson

cc: Stripping

THE WHITE HOUSE
WASHINGTON

Mr. President:

Jim Fallows' has reviewed
the attached text.

Rick/Bill

*Rick/Bill
pg 1
I signed
H*

THE WHITE HOUSE
WASHINGTON

November 3, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

JACK WATSON *Jack*

SUBJECT:

Presidential Letter to National
Conference of State Legislatures

The State Legislative Conference is holding a special anti-inflation meeting in Washington in mid-December. The Conference and its President, Jason Boe, have been particularly supportive of your anti-inflation program.

Their meeting in December would be assisted by this letter which will be widely distributed.

THE WHITE HOUSE

WASHINGTON

November 9, 1978

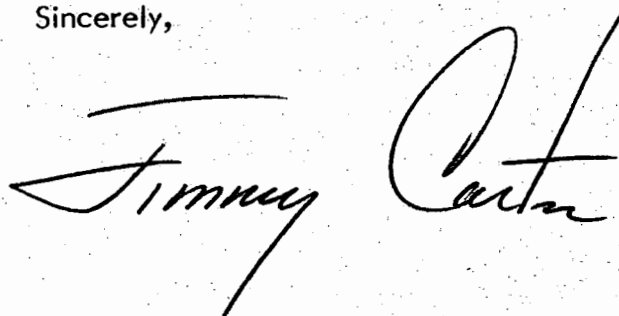
To Senator Jason Boe

I want to express my appreciation to you and to your colleagues in the National Conference of State Legislatures for the support you have given to my anti-inflation program. State legislatures can play a crucial role in this effort through their decisions on taxes, spending, procurement policies, regulations, and balancing budgets. I encourage you to continue the leadership which you have taken on this issue.

I understand that you are holding a national meeting in December to explore anti-inflation steps which legislatures can take during their 1979 sessions. I am encouraged that state legislators have responded with such enthusiasm to the inflation fight. I believe that all elected officials who keep close contact with their constituents, as legislators must, will agree with your statement that reducing inflation is an economic imperative.

I look forward to hearing the recommendations of your December meeting on inflation, and would appreciate your advising Jack Watson of the results.

Sincerely,

A handwritten signature in dark ink, reading "Jimmy Carter". The signature is fluid and cursive, with a large, sweeping "J" and a stylized "Carter".

The Honorable Jason Boe
President
National Conference of
State Legislatures
Hall of the States, Room 203
444 North Capitol Street
Washington, D.C. 20001

ID 785708

THE WHITE HOUSE

WASHINGTON

DATE: 06 NOV 78

FOR ACTION: JIM FALLOWS

INFO ONLY:

SUBJECT: WATSON MEMO RE PRESIDENTIAL LETTER TO NATIONAL CONFERENCE
OF STATE LEGISLATURES

+++++
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: 1200 PM THURSDAY 09 NOV 78 +
+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

See edging - JF
11/8/78

ID: 85708

THE WHITE HOUSE

WASHINGTON

DATE: 06 NOV 78

*attached
- w/hutch*

FOR ACTION: JIM FALLOWS

INFO ONLY:

SUBJECT: WATSON MEMO RE PRESIDENTIAL LETTER TO NATIONAL CONFERENCE
OF STATE LEGISLATURES

+++++
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: 1200 PM THURSDAY 09 NOV 78 +
+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE

WASHINGTON

November 2, 1978

To Senator Jason Boe

I want to express my appreciation to you and to your colleagues in the National Conference of State Legislatures for the support which you have given to my program to reduce the nation's rate of inflation. State legislatures can play a key role in this effort. As you suggested, legislatures can affect the rate of inflation through their decisions on taxes, spending, procurement policies, regulations, and balancing budgets. I encourage you to continue the leadership which you have taken on this issue.

I understand that you are holding a national meeting in December to explore anti-inflation steps which legislatures can take during their 1979 sessions. I am encouraged that state legislators have responded with such enthusiasm to the inflation fight. I believe that all elected officials who keep close contact with their constituents, as legislators must, will agree with your statement that reducing inflation is an economic imperative.

I look forward to hearing the recommendations of your December meeting on inflation, and would appreciate your advising Jack Watson of the results.

Sincerely,

The Honorable Jason Boe
President
National Conference of
State Legislatures
Hall of the States
444 North Capitol Street
Room 203
Washington, D. C. 20001

THE WHITE HOUSE
WASHINGTON

C
/

November 9, 1978

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *FM/12/*

I am scheduled to leave Andrews at 8:00 a.m. Friday, November 10, for a 17-day trip along with Senators Muskie, Leahy, Packwood, Stone and Congressmen Derrick, Beville, Carter, Scheuer and Fowler. The purpose of this trip is to carry out the intentions of the Shanghai communique which provides for two Congressional trips to China each year. If there is a message you would like me to carry to the highest Chinese official I meet with, Susan or Zbig can contact me anytime.

During my absence, Dan Tate, Bob Thomson, Bill Cable, Jim Free, Val Pinson, Terry Straub, Bob Beckel, Les Francis and Jim Copeland will be working with Stu's staff preparing a legislative agenda for next year. Our target date for completing this and presenting them to you is December 1. We want to follow the same procedure as last year with the Vice President and me meeting with Senator Byrd and the Speaker, then the Cabinet, and then the series of Committee Chairmen. My staff will also be evaluating and making adjustments of Agency CLs and under Les Francis' direction working closely with Jim McIntyre on next year's budget. I would appreciate it if Les Francis could be allowed to represent me at any appropriate meetings during my absence.

Bill Cable will be working closely and secretly with Irv Sprague on the Speaker's staff in filling vacancies on major committees.

My staff will also be analyzing last year's voting patterns, finally setting up the grants announcement unit and working with other Senior White House staff to improve on internal communication and coordination.

Jim Free has been and will continue to work on the mid-term conference with Chairman White. Bill Cable has been assigned to work with Fred Kahn and the Economic Policy Group to expedite the real wage insurance legislation. We would like to have this completed and polished in time for new members' orientation and the Democratic organizational caucus the first of December.

The recently completed '78 campaign efforts will be enormously beneficial in the new Congress both with the incumbents and the new Members.

I assume if we have a SALT treaty that it would be the number 1 priority for foreign policy issues, and anti-inflation will be the number 1 priority for domestic issues, and everyone assumes the list will include hospital cost containment and the Department of Education.

Other than a couple of events with the new Members (orientation and a foreign policy briefing), we would like to discourage Members of the House and junior Senators from expecting Presidential phone calls except in very, very rare instances.

I hope Rosalynn and your family enjoy the Thanksgiving holidays.

THE WHITE HOUSE
WASHINGTON

11/9/78

Mr. President:

If you have no objections I
am going to take next week off and
spend it in florida and south georgia.
I'll be back on saturday or sunday
the 18 or 19. Fran will fill in for me.

☒ approve

☐ disapprove

Phil

A handwritten signature, likely "Phil", written in dark ink. It consists of a stylized, cursive letter 'P' followed by a horizontal line.